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CITY OF NIAGARA FALLS

Proposed Submission re: Room Tax

Mr. H. R. Hanson,
Secretary of the Provincial Committee on Taxation,
88 University Avenue,
Toronto, Ontario.

Dear Sir:

In May of this year, the City of Niagara Falls inquired from The Honourable J. W. Spooner, Minister of Municipal Affairs if it would be possible to make a direct submission to the Committee for authority to impose a room tax. In his reply, the Honourable Minister assured us that a written submission would be most welcome. Accordingly, may we submit the following for the consideration of the Committee.

The reasons which prompted the City of Niagara Falls to petition for permissive legislation to authorize the imposition of a room tax are prevalent to a certain degree in any City subjected to a large tourist flow, but these reasons we feel are more concentrated or acute in Niagara Falls. Being one of the largest if not the largest, tourist attractions in Canada, this City is perhaps unique in the problems arising from the influx of tourists during the summer months. The normal assessed or year-round population is 53,500 persons. During the tourist season approximately five million persons visit the City as bona-fide tourists. Of these, one and a half million stay overnight being accommodated in approximately 160 motels and hotels accommodating 16,100 persons per night. From these figures,supplied by the Chamber of Commerce and readily verified, one can easily visualize the problems that arise; and with which we have been confronted for some time.

Municipal services such as sewers, watermains, garbage collection, police protection, health services, fire protection, and many others designed to serve a community of 53,500 are subjected to sudden increased demands. Worth individual mention, is the problems caused in the field of traffic control.

Proposed Submission re: Rose Gas

Mr. H. B. Burton,
Registry of the Provincial Committee on Taxation,
50 University Avenue,
Toronto, Ontario.

Dear Sir:

In any of this year, the City of Niagara Falls inquired from the Honourable J. W. Spooner, Minister of Municipal Affairs if it would be possible to make a direct submission to the Committee for consideration to impose a road tax. In this copy the Honourable Mr. Spooner mentions as such a verbal submission would be unsatisfactory. Accordingly, may we submit the following for the consideration of the Committee.

The present study provided the City of Niagara Falls to participate favourably in stimulating an enormous the imposition of a room tax as prevalent to a normal degree in any City subjected to a large tourist flow. But those resorts we find on more specialized or scale in Niagara Falls, being one of the largest on the Lakeshore, provide extensive attractions to Canada, this City is putting undue da the problems arising from the influx of tourists during the summer months. The normal seasonal or year-round population is 34,500 persons. During the tourist season approximately five million persons visit the City as compared tourists. Of these, one and a half million stay overnight being accommodated in approximately 100 hotels and motels containing 5,000 persons per night. Here these figures supplied by the Chamber of Commerce are less by 25%. One can easily visualize the problems that arise; not only when we have this concentrated for accommodation.

Municipal services such as power, waterworks, police commission, police protection, health services, fire protection, and many others designed to serve a community of 35,000 are subjected to sudden increased demand. Work stoppages, particularly in the police field of traffic control.

Because of its natural scenic beauty, the City has become a mecca for tourists all over the world. Aggravating the problems caused by the increased vehicular traffic is the fact that the City of Niagara Falls is the main gateway to the Province of Ontario and to the multitude of vacationers heading for the Ontario Northland. We submit that subjecting our visitors to the nerve racking experiences of traffic congestion is not the best way to make a favourable impression on them as they enter our Province. The sudden influx of thousands of automobiles into arterial roads designed for normal traffic presents a major problem. Conversely, it seems rather unfair to require year-round taxpayers to bear the full cost of installing facilities to accommodate the increased demand during two or three months of the year. Recognizing the problem, the City has undertaken a study designed to improve the traffic flow. Preliminary estimates reveal that this project will amount to 45 million dollars, a sizeable portion being borne by the City. A project of this magnitude would not be necessary to service our resident population but is a necessity if the City is to cope with the influx of tourists during summer months. The presence of the large number of vehicles in the City during the summer months has a very definite effect upon the community in other ways. The automobile insurance rates in the City are among the highest in the Province because of the intensity of traffic and the ensuing accidents. The City is under constant pressure to acquire land and develop much needed off street parking areas for our visitors. Present parking is totally inadequate.

The progressive encroachment of tourist type development into areas formerly used as year-round industrial activities has contributed to the loss of two major industries in the City together with a lost of year-round employment and tax revenue. In such cases, industries find their properties have far greater value for their potential tourist-commercial value than industrial, and any contemplated move appears advantageous and warranted.

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May we stress that the City of Niagara Falls is seeking permissive legislation only. Those municipalities who find themselves in a similar situation may then take advantage of the proposed legislation if they so desire.

Our proposal is that a room tax of three or four percent be levied on the accommodation charge in all institutions catering to the travelling public, i.e.- motels, hotels, etc. The revenue derived from such a proposal would then, at least in part, pay for the additional costs incurred as a result of the presence of the visitors.

Although the idea of a room tax is comparatively new in Canada, it has been used very successfully in the United States. We, in the City of Niagara Falls, depend a great deal upon the tourist trade as a major part of our economy and would be extremely hesitant to enact any legislation that might be injurious to that trade. In our preliminary preparation of this proposal, contact was made with several cities in the United States levying a room tax. Those replying indicated that the imposition of a room tax did not have any harmful effect upon the tourist trade. The City of Las Vegas indicated that the room tax revenue had been used to provide and maintain the services necessary to make the City a convention centre. The State of Florida has informed us that they have been very successful in collecting a room tax and that the State has been enjoying more tourists than ever.

We feel that our proposal has a great deal of merit. It appears to have few if any, disadvantages. The fact that it received the support of the Ontario Municipal Association is an indication of its acceptability to municipal representatives and officials within the province.

May we humbly request that this proposal be given serious consideration by the Committee.

We shall be pleased to supply any further information that may be required.